

Stockton Parish Council Internal Audit Year Ending 1st April 2023

In accordance with the instructions received from the Clerk of Stockton Parish Council, Mr W Robinson, I have conducted an Internal Audit of the Parish records, together with the Annual Governance Statement and Accounting Statements for the period 31st March 2022 to 1st April 2023. The report below sets out my findings and conclusions and I confirm the Internal Audit was completed on 24th May 2023.

I have been informed that Stockton Parish Council updates their web site regularly to include the Government's directive 'Transparency Code for Smaller Authorities' which requires smaller Council's to publish all their policies and procedures, together with their financial records. As part of the Internal Audit, I confirm that I have undertaken a review of the web site as well as the hard copies of the documents provided.

Bookkeeping

- Receipt and payment entries in the cashbook were checked and found to be up to date, correct and supported by the appropriate documentation.
- All payments were properly authorised by two authorised signatories of Stockton Parish Council.
- In addition, an audit trail of the following cheques was carried out: -

Sample Payments reviewed for the Year 31st March 2022 to 1st April 2023

Payments

<u>Cheque Number</u>	<u>Amount</u>	<u>Payee</u>	<u>Invoice date</u>
001549	£ 650.00	G. Farmer Village mowing.	17.042022
001562	£ 182.97	SSE Street lighting	01.04.2022
001573	£ 300.00	D Stanley mowing cemetery	30.06.2022
001591	£ 350.00	Cemex UK Ltd – Sports field rent	01.10.2022
001605	£ 228.00	Midland Sign & Lighting	18.01.2023

Deposits/Receipts

- All receipts were banked in a timely manner.
- Sample receipts and an audit trail of the following receipts was undertaken: -

Received from	Paying in ref	Amount	Date
SDC (first ½ year Precept)	BGC	£13,000.00	28.04.2022
Stockton Football Rent SFCC	SO	£350.00	01.07.2022
Memorial Fee	FPI	£150.00	05.08.2022
SDC – CIL	BGC	£2,128.88	28.11.2022
F. Muggerridge & Son – Fair Rent	500231	40.00	07.03.2023

Checks were made of all invoices and receipts to the end of year and overall, no discrepancies found. All cheque audit trails were correct, all cheques matched invoices.

Budget Monitoring Reports and bank reconciliation had been prepared regularly and presented to Stockton Parish Council.

Standing Orders, Financial Regulations and Policies

- As per the internal audit for 2021-2022 Stockton Parish Council has followed the recommendation to review their Standing Orders annually, the reviewed document was agreed at the July meeting on 18th July 2022, copy on website.
- All payments are supported by the appropriate invoices, and they have been properly authorised by an Officer/Member of Stockton Parish Council. There is also evidence that the details have been correctly recorded with the corresponding cheque numbers in the Receipts & Payments book.
- There is no evidence that a VAT re-payment has been reclaimed for the Year ended 31st March 2023 in the cash book. Stockton PC could consider claiming VAT re-payments regularly. The clerk has confirmed that the VAT is claimed on a two-yearly basis.
- It was noted that Stockton PC adopted the General Power of Competence in May 2019, therefore, there are no records of any Section 137 payments.
- It was noted that there were minute numbers for each copy of the monthly minutes which are available on the Stockton PC web site, and they are also available as hard copies. I was, therefore, able to ascertain that the minutes corresponded to the minute references in the cash book.

- Evidence on the Stockton PC web site in the minutes show that the policies listed below were reviewed on 4th May 2021, they are due for review in May 2024:
 - a. GDPR
 - b. Communications Policy
 - c. Community Engagement Policy
 - d. Complaints Policy
 - e. Data Protection Policy
 - f. Equal Opportunities Policy
 - g. Grant Awarding Policy
 - h. Purchasing Policy
 - i. Health & Safety Policy
 - j. Publication Policy
 - k. Reserves Policy
 - l. Retention of Documents Policy
 - m. Risk Management Policy
 - n. Training Policy
 - o. Safeguarding Policy for Young Children and Vulnerable Adults
 - p. Financial Regulations
 - q. Audit of Footpaths
 - r. Asset Register,
 - s. Safety Audit of playing field
 - t. Cemetery regulations

Risk Management Procedures

- A full review of the minutes has been carried out by accessing the documents on the Stockton PC web site and looking in the Minute Book and there appears to be no unusual activities identified.
- The Index to Register of Burials was included in the documents to view, there is no evidence that a Cemetery Safety Audit was carried out, during the fiscal year 2022/2023 in the minutes. However, it is recorded in the minutes as an on-going reference.
- Stockton Parish Council has insurance through A J Gallagher Community Schemes with Hiscox Insurance Company Ltd, the annual insurance premium was paid on 9th May 2022.

Budgetary Controls

- There is evidence that Stockton Parish Council has considered the level of precept for the year 2022/2023 in the minutes of the meeting held on 13th December 2021. An increase to **£26,500** will be requested from SDC due to planned expenditure and the amount of reserves identified as being required for the following financial year. The reserves of £75,084.38 divided into earmarked reserves of £49,000 and a general reserve of £26,084.38 i.e. within the recommendations from NALC.
- There is evidence on the Stockton PC web site and the Minute Book that a monthly Budget Monitoring Statement was prepared by the Clerk and sent to Councillors. It is noted that the budget for Stockton Parish Council supports the level of precept requested.
- It was noted that there were hard copies of Budget Monitoring Statements in the documents provided, although there was no evidence that they had been uploaded on to the web site. However, it was also noted that the financial transactions were included in each copy of the minutes on the Stockton PC web site, and they were provided in hard copy in the Minute Book. **Consideration could be given to appending a copy of Budget Monitoring document on to the minutes on the Stockton PC web site as well as the financial transactions.**
- There was no evidence of any loans in place.

Income Controls

- All income appears to have been recorded and promptly banked, where appropriate. It is noted that most other receipts have been paid by bank transfer.

Petty Cash

- There is no petty cash which has been identified and this has been recorded appropriately on the explanatory sheets for the External Auditor.

Payroll Controls

- The Clerk is the only employee and there is evidence of a review of his Contract of Employment and that the Clerk's salary was increased in line with NJC rate of payment backdated to April 2021 in the minutes of 19th November 2021. The Internal Auditor has seen evidence of Mr Robinson's tax liability for the year 2022/2023 which was discharged **on 1st April 2023 according to the Receipts and Payments Ledger.**

Asset Controls

- Evidence has been seen in the minutes that Stockton PC has agreed and approved the up-to-date Asset Register, 23rd March 2023

Bank Reconciliation

- There is evidence that regular bank reconciliations are carried out in the cash book, together with the provision of a statement for members of Stockton Parish Council.
- No unexplained entries were found.

Register of Interests and Code of Conduct

- **Councillors' register of interests can be found on the SDC website.**
- **Stockton PC adopted the new model Code of Conduct (published by SDC) on 16th February 2022, it is understood that this will be reviewed by SDC.**

Quotations

- **There was no evidence that any quotations had been received during the financial year 2022/2023.**

Year End Procedures

- The year end accounts have been prepared on the correct accounting basis of receipts and payments.

Emergency Plan

- It is noted that Stockton PC has an Emergency Plan which is available on the Stockton PC web site. There is evidence that the Chair of Stockton PC has reviewed and updated the Disaster Plan and was subsequently approved. Due for review January 2025.

The accounts and associated records and documents which were closely examined were accurate and well maintained by the Clerk. The above points are brought to the Council's attention for their consideration:

Stockton Parish Council had cash reserves of **£75,084.38** at the year-end in the Treasurers Account at Lloyds Bank.

Recommendation:

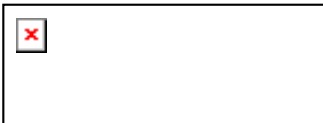
- It may be appropriate to develop a council policy concerning the maximum amounts that should be kept in the treasurers account to enable adequate funds to run the council, and at what level it should consider looking for other looking at investments that could yield interest on funds.
- Consider compiling a financial procedures process.
- Keep up-to-date records of playground inspections.

Additional comments

I like the concept of the "Villager of the Year" and congratulate the parish council on their community minded concept.

Conclusion

Stockton Parish Council's accounts and documents are well maintained and up to date. The comments mentioned above are made by the Internal Auditor for Stockton Parish Council to evaluate and implement, if they consider that they are necessary and appropriate, and they will assist the Council in the running of its business.



Georgina Beaumont, CiLCA
Retired Town Clerk (Shipston Town Council)

24th May 2023